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Reforming the salary system to improve competitiveness of Vietnam's state-owned enterprises

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Abstract

State-owned enterprises are economic organizations in which the State owns the entire charter capital or has controlling shares or contributed capital, organized in the form of state-owned companies, joint-stock companies or limited liability companies. Compared to Private Enterprises, SOEs are often perceived as less efficient and less profitable. While private companies spend maximum profit for shareholders, SOEs are often socially responsible, work for the benefit of the people, are established to deal with the failures of the shareholders. economy. That leads to the fact that SOEs do not aim and do not need to try to maximize profits like private enterprises. In order to improve the operational efficiency and competitiveness of these businesses, the author of the article revolves around the issue of salary reform to retain personnel in this area to avoid the phenomenon of large-scale brain drain.

Keywords: Salary system, state owned enterprise, development strategy, Vietnam

Introduction

Vietnam's economy is considered underperforming. In recent times, Vietnam has developed an economy spread widely. However, economic development mainly in breadth as well as any policy has its limitations. Broad economic development usually requires high and spread capital investment. Therefore, the efficiency of investment capital is unlikely to be high. Although the ICOR index of Vietnam has improved, it is still at a high level compared to other countries in the region and the world. The low and spread investment efficiency accumulated over the years was the main reason for the high inflation in the years 2008–2011. For many years, Vietnam has not had a clear and effective industrialization strategy, it is not clear which sectors need to focus resources for development. The attraction of foreign investment is also not oriented and does not care about the spillover effects of foreign investment, but only aims to attract as much capital as possible to create economic growth. Therefore, economic growth in quantity is measured by GDP growth, but there is no big change in quality.

Large investment demand leads to a situation where investment far exceeds the economy's ability to accumulate, the budget deficit is always high. To make up the shortfall, we must rely on foreign investment and foreign debt. This fact has caused the national debt and foreign public debt to increase rapidly in the years 2006-2012, although still within a safe threshold, but it is also time to be cautious.

Trade balance deficit and high trade deficit are big problems of the economy in the period 2006-2013. High inflation and large trade deficit are the main causes of devaluation of Vietnam Dong, decline of national foreign currency reserves and decrease people's confidence in VND, creating opportunities for speculation, hoarding and smuggling, illegal trade in foreign currency and gold. By April 2011, the inflation in neighboring countries was no more than 5-6%, while Vietnam was up to nearly 18% over the same period.

Urgency

It is necessary to restore and develop socio-economic activities soon, this is an urgent requirement of the economy, community and people of the whole country. Therefore, at today's meeting, priority should be given to restarting the economy and promoting

Development, besides paying attention to measures to prevent and control the epidemic. Emphasizing the need to achieve the dual goals of epidemic prevention and socio-economic development, "how to achieve the necessary goals for growth". Citing the IMF's forecast on Vietnam's GDP growth this year (the highest growth in Southeast Asia, reaching about 2.7%), the Prime Minister stated, we must achieve higher than this. "It's very difficult to be high, the target is very difficult" but we can't and must not let the growth be low, "what if it's too low". Only new growth will create jobs, eliminate hunger and reduce poverty, and ensure the best social security.

Research objectives

Firstly, it is determined that the creation and implementation of policies to improve labor productivity is the most important solution in improving the competitiveness and sustainable growth of the Vietnamese economy.

Second, study the connotations and operating modes of the 4th Industrial Revolution, clarify the opportunities, challenges, and strengths and weaknesses of the economy, from which specific implementation solutions can be found. can enter some fields in some localities; Continue to perfect the socialist-oriented market economy institution, open up resources, create an equal, open and favorable investment and business environment; improving the quality of law-making in association with improving the effectiveness and efficiency of direction, administration and law enforcement Third, proactively assess, analyze and forecast the situation of the world and the region to have appropriate policies and strategies, especially border, sea and island issues, non-traditional security, cyber security, rural security; Effectively implement the international economic integration process, maintain socio-political stability; Stepping up propaganda work to raise people's awareness, especially ethnic minorities, remote areas, border areas, islands, to stay away from the exploitation of hostile forces and anti-sabotage. Revolution; Consolidate national defense and security, improve the efficiency of foreign affairs and international integration; maintain independence, sovereignty, territorial integrity and a peaceful and stable environment for development; improve the prestige and position of the country in the international arena.

Fourth, to focus on investing in science and technology development and applying science and technology to economic development; Invest in officials and employees to study and improve their science and technology skills; To adopt policies to encourage research works and products with the application of advanced science and technology; Focusing on improving the quality of resources associated with innovation and development, applying modern science and technology, meeting market demand in large numbers, with a reasonable structure of industries and occupations, with a mechanism suitable to attract and use talents.

Fifth, promote coordination between ministries and branches, between central agencies and localities, between education and training institutions and enterprises...; Bring into play the synergy of the whole country; Actively perform well the work of information and communication, creating social consensus, spreading the aspiration to build Vietnam.

Sixth, continue to fundamentally and comprehensively renew education and training. Paying attention to the quality of education and training. To step up the accrediting of education quality and to give autonomy to higher education

and vocational institutions; Improve the effectiveness of vocational training

Seventh, it is necessary to create a solid legal corridor on financial designs, open and transparent information, promote the link between public and private economic zones, towards building a business environment. transparent, healthy.

2. Theoretical basis

2.1. Competitiveness of the public sector in Vietnam

In 2019, Vietnam's GCI Index reached 61.5/100 points, ranking 67th out of 141 countries and economies. Compared to 2018, Vietnam's GCI Index increased by 3.5 points and ranked 10 places, the highest increase in the world in the past year. In the ASEAN region, only Vietnam, along with Singapore, Brunei, Laos, and Cambodia, have increased points, and only Vietnam, along with Singapore, Brunei and Cambodia. -divide is to increase rank. Vietnam's scores and rankings are outstanding, significantly shortened compared to ASEAN 4, China and India.

In terms of scores, Vietnam has 10/12 pillars with increased scores, including: institutions, infrastructure, capacity to access information technology, skills, market size, labor market, and capacity. innovation, dynamism of enterprises...

In terms of rankings, the pillar on ability to access information technology has the highest rank (up 54 places), the pillar on the commodity market goes up 23 places, the pillar on business dynamism increased by 12 places, the pillar on institutions and innovation increased by 6 places... Thus, this year Vietnam has exceeded the target set out in Resolution 02 in 2019 on the GCI Index. (increasing by 3-5 steps) and achieving the goal by 2021 (increasing by 10 steps), the specific goals achieved are:

- Legal compliance costs: ranked 79th, up 17 places compared to 2018 (in 2019 target increased by 2 places), exceeding the target by 2021.
- ICT application: ranked 41st, increased 54 ranks (the target in 2019 increased by 5 steps), exceeded the target by 2021.
- Quality of vocational training: ranked 102nd, up 13 places from 115th position in 2018 (target 2019 to increase 5 places).
- Stock market capitalization to GDP: ranked 54th, up 6 places compared to 2018 (target in 2019 to increase at least 5 places).
- Spending on R&D: ranked 70th, up 6 ranks compared to 2018 (the target in 2019 is to increase at least 2 places), reaching the target by 2021.
- Growth in innovative enterprises: ranked 68th, up 22 places compared to 2018 (the target for 2019 is to increase at least 5 places), reaching the target by 2021.
- Breakthrough in new innovative idea: ranked 39th, up 13 places compared to 2018 (the goal in 2019 is to increase at least 2 places), reaching the target by 2021.

Vietnam's Global Competitiveness Index significantly improved in both scores and rankings, which is an important result, reflecting the positive assessment of the WEF and the international community for its efforts and progress. of Vietnam in perfecting economic institutions, reforming regulations, and improving the business environment. This result also reflects the reality of many years, especially in 2019, with the drastic direction of the Government and the Prime Minister, the involvement of all levels and sectors has created a transformation. awareness and action among cadres,

civil servants and public employees in the administrative apparatus, is indeed the most obvious breakthrough in reforming administrative procedures and reducing business conditions.

2.2. Wage reform in the public sector in Vietnam

Reforming salary policy is particularly important for the civil service in particular and for the stability and socio-economic development in general. The nature of wages in the public sector is that along with the development of the market economy, wages must be close to the value of market labor power, and need to be towards fairness and substance. In order for wages to be really the main source of income, ensuring the lives of workers and their families in the public sector, it is necessary to implement a number of solutions as follows:

Firstly, wage reform must be associated with the arrangement and simplification of the state administrative apparatus. Although there have been many macro-scale studies on salary policy reform, due to the lack of a synchronous solution to innovate and arrange the administrative apparatus to be lean, efficient and effective, it is not providing high efficiency. The current situation when reforming the organizational apparatus, the number of staff not only does not decrease but also tends to increase, the number of people working is large, the apparatus is cumbersome, which means that the average salary cannot be high. In order to carry out wage policy reform in the spirit of Resolution No. 27-NQ/TW of the Party and Resolution No. 107/NQ-CP of the Government to be effective, the state administrative apparatus needs to be rearranged. in the direction of compactness and streamlining "substance" such as: unification, consolidation of agencies similar in functions and tasks, strengthening of concurrent positions, allocating support funds for non-specialists. responsible, resolutely taking incompetent people out of the apparatus, in order to reduce redundant human resources in the administrative apparatus, contribute to creating more financial resources to pay salaries for cadres and civil servants commensurate with the price. labor power.

Second, salary reform is associated with job positions and performance results. Current reality shows that the salary of cadres and civil servants in the public sector depends on the salary scale prescribed by the State. career form). Therefore, the salary income of people working in the public sector is not really associated with labor productivity, work efficiency, talent and dedication. In addition, there is no bonus mechanism to encourage initiative, creativity, innovation in working style, improvement of public service ethics and work quality and efficiency. This is the cause of the drag on increasing social labor productivity. Therefore, the renewal of wage policy must be associated with increased labor productivity and work efficiency. Job completion results are the main basis for increasing wages, not seniority, and at the same time increasing employees' satisfaction with their contributions, thereby increasing work motivation. and commitment to the achievement of the organization's goals. On the other hand, it is necessary to refer to the experience of other countries on the abolition of the lifetime payroll system, and civil servants sign a fixed-term, term-based contract. Every year, it is necessary to carry out examinations, entrance exams, and quality control of cadres and civil servants in order to select good cadres and civil servants with good qualities and ethics, with a sense of responsibility and a sense

of responsibility to serve them. interests of the state and the people.

Third, increase awareness of wage policy reform among the people and society. Successful wage policy reform requires the high determination of the entire Party, people and political system. The ineffectiveness of the wage policy reform is due to the fact that the thinking of policy makers has not kept pace with the development of the socialist-oriented market economy. The minimum wages of public sector officials and civil servants must correspond to the cost-of-living index of each period and must take into account the suitability of each industry, profession and region; Wages in the public sector should be correlated with the minimum wage in the business sector.

Fourth, continue to promote the socialization of public services to reduce the burden on the state budget, create more funds to raise salaries for cadres and civil servants. The state can transfer some public services to the private sector to perform in some areas such as education, health care, transportation, notary, etc. The sharing of public service provision with the private sector contribute to reducing the budget burden for the State. The State plays the role of orienting, setting policies, promulgating laws, organizing implementation, monitoring and inspecting by selecting appropriate fields, roadmaps and resources. However, the State still needs to retain some public service facilities in order to implement policies to serve the people, especially the poor, vulnerable groups, and limited ability to pay.

At the same time, the State needs to create a healthy competition environment between private establishments performing socialization of public services in order to promote the development of these services, creating conditions for people to be able to pay. benefit, meet the high beneficiary demand for education, health care, culture and art. Reforming wage policy is a difficult and complicated task, and it may not be possible to solve all the pressing problems in society, so there needs to be a specific roadmap and must be directed towards the target of employees. must be able to live on their fair salary. Salary policy can contribute to the prevention and fight against corruption. Therefore, besides salary policy reform, it is necessary to carry out synchronously all new solutions that can contribute to building an integrity government, creating, acting, serving people and businesses.

3. Research Methods

3.1 Data sources

State enterprises shall safely preserve and effectively use electronic archives formed during the operation of state agencies; improve the operational efficiency of state agencies, create favorable conditions for people and businesses to access and use archives of state agencies. Data source is data that is already available, not collected or published by you, so it is easy to collect, saves time and money in the process of collection, but is an important document in further marketing research and other social sciences.

3.2 Methods of data collection

The document collection method is the method used to obtain a data system, the actual situation used for the analysis and assessment of the current state of economic development. The content of this method includes:

- Collect secondary documents

In fact, it is possible that most of the content that needs to be analyzed about the actual implementation of the socio-economic development plan is available in the announcements of agencies and organizations at both central and local levels. studies of international organizations in the area. By collecting and synthesizing documents, it helps us reduce a lot of the content that needs to be investigated, ensuring that we do not have to redo what we did well before, that you will not develop to reinvent the wheel. Accordingly, before starting to analyze the situation, it is necessary to ensure that all past and present studies on the socio-economic development of the planning subject have been collected. This helps to reduce costs in terms of time and money for investigating the necessary content.

- **Collecting data directly through surveys**

In order for the investigation and survey to be carried out effectively, it is necessary to identify the focus groups that need to be researched, and then develop the survey samples/questionnaires to conduct the investigation. The contents and order to be performed are:

- + Content of investigation: this is the most important issue that determines the success or failure of the set data collection objective. Therefore, before building the survey content (questionnaires), we need to clarify the objective: which field to investigate, who are the respondents (enterprises, households, etc.)
- + Scope of survey, survey location: depending on the budget for the survey and sample selection requirements, we need to estimate the appropriate survey scope, taking into account representativeness (number of districts, communes, villages to conduct the survey), then determine the number of survey samples (how many people, households, enterprises...) and the survey location.
- + Methods of investigation: there are many methods of investigation that can be proposed to determine the appropriate method.

Direct survey is the main method carried out through methods such as appointment and face-to-face interviews with the subjects for in-depth interviews on issues related to local economic development; meet and interview directly the subject according to the content prepared in advance; or interview by phone according to the contents of the questionnaire.

Indirect investigation has many different methods such as sending questionnaires to the subjects to be investigated by mail and requesting them to send them back by mail to the requested address; send the survey form to the subject of investigation, then urge and return to receive the questionnaire after it has been completed...

+ Organization of investigation: There should be careful preparation of the forces and participants in the investigation process, and the appropriate investigation time. Conduct training of enumerators mainly according to the contents of the questionnaire and other issues that may arise during the investigation.

4. Research results and discussion

4.1 Basic characteristics of state-owned enterprises

1) Legal characteristics of state-owned enterprises

According to the provisions of Clause 7, Article 4 of the Enterprise Law 2014, "enterprise" is understood as "an organization with its own name, assets, transaction office, and registered establishment in accordance with the law in order to business purposes". Because state-owned enterprises carry the characteristics of enterprises in general, state-owned enterprises also operate for business purposes. However, the goal of profit is not the only reason to establish state-owned enterprises. The state does not invest massively or pervasively in all fields, but only focuses on key sectors of the economy such as energy, telecommunications, aviation, etc. such as Vietnam Posts and Telecommunications Group, Vietnam Electricity... State-owned enterprises operate in important professions or professions and sectors where private investment is not available, therefore, in addition to the goal of seeking profit, state-owned enterprises have become become a tool to perform the State's role of macro-regulating the economy, stabilizing the market and solving social problems.

2) About owners of state-owned enterprises

State-owned enterprises are wholly owned by the state. This is also the most characteristic feature to identify state-owned enterprises. Because the State owns the entire charter capital, the State has the full right to decide on all activities of the enterprise such as operational issues, business strategy, organization and management, and other decisions of the enterprise. At this time, the State will play two roles at the same time: both as the sole owner of the enterprise and as the macro-management agency for the entire economy, including state-owned enterprises. Therefore, the complete separation between the ownership function and the responsibility for market regulation is a prerequisite to ensure an equal environment for state-owned enterprises and privately owned enterprises, avoiding the situation "kick the ball and blow the whistle."

3) About the form of organization and operation of state-owned enterprises

Prior to the effective date of the Enterprise Law (2014), an enterprise with 100% state capital could exist in the form of a one-member limited liability company, a two-member limited liability company or more, or a limited liability company with two or more members. share; State-owned enterprises account for a significant number of enterprises with diverse fields of operation. According to current regulations, state-owned enterprises can only organize and operate in the form of a one-member limited liability company run by the State. is the owner. With strict regulations on establishment conditions such as capital ratio, business lines, etc., the number of state-owned enterprises is not much and can only exist as the parent company of a business group. State-owned economy, parent company of state corporations, parent company in a group of parent companies - subsidiaries

4) Legal status and property liability of state-owned enterprises

State-owned enterprises operate in the form of single-member limited liability companies, according to Clause 2, Article 73 of the Enterprise Law (2014), which stipulates that "one-member limited liability companies shall have legal status from the date granted an Enterprise Registration Certificate." Therefore, state-owned enterprises also have legal status. State-owned enterprises conduct independent business activities, participate in transactions, and take separate responsibilities with the enterprise's assets (including assets formed from the State budget capital, grants and financial support), assets formed in the course of production, business, etc.) and operate under the regulation of the market economy, affected by the Laws of Competition, regardless of the executive orders, main government. Due to its legal status, when participating in transactions, state enterprises are responsible for financial obligations and debts arising in business activities with all assets owned by the enterprise. In addition, like the owner of a single-member limited liability company, the state - as the owner of the SOE - is only responsible for the debts and financial obligations of the company, enterprises within the amount of capital the State commits to contribute to the enterprise.

4.2 Competitiveness of the industry compared to other industries and Vietnam's economy

About the management and operation capacity of the enterprise

For State-owned enterprises, the unclear horizontal and vertical hierarchy has caused the situation that enterprises are subject to many levels and branches under the same management, operating industry. The mechanism of managing ministry, management level is causing many difficulties for businesses. In each State-owned enterprise, the management organization is still too cumbersome compared to non-state enterprises, many boards, platforms, and many cumbersome administrative procedures have not been modified, making the enterprise unable to be dynamic and flexible, timely response to market requirements. Low level of management staff, limited access to knowledge, modern management style, especially experience in import and export transactions, research and access to the world market is still low. Lack of highly qualified workforce. The payroll of the management apparatus as well as the number of employees of State-owned enterprises is higher than that of non-state enterprises of the same industry and size.

Technology level

Technological and technical backwardness will result in low and unstable product quality and high product costs, which limits the competitiveness of enterprises. In the past years, although many enterprises have renewed machinery and equipment and technology from industrialized countries, the pace of technological and equipment innovation is still slow, uneven and not in the same direction, markedly developed.

About investment in research and development costs for new products

For enterprises in developed countries today, research and development costs for new products account for a large proportion in the cost structure in order to invest in research into new technical technologies to improve quality and productivity productivity or creating new, unique and modern

products. However, the reality is that many Vietnamese enterprises do not have a business strategy, have not paid attention to research and development, so they only spend 0.2% to 0.3% of revenue on research and development of new products.

Equitization, rapid state capital has not yet reached the target

The Central Institute for Economic Management (CIEM) said that the capacity of SOEs is still limited because the profits and business performance of the SOE sector depend on a few large enterprises. In industries with a high degree of competition among economic sectors such as trade, construction, manufacturing, etc., the business performance of SOEs is very low, revealing limitations in the competitiveness of SOEs. Moreover, for enterprises with 100% state capital, most resources are concentrated in 7 corporations and more than 60 corporations, of which 7 corporations hold up to 66% of assets; 66.7% state equity; generate 61.7% of revenue; 56.5% pre-tax profit and 56.7% state budget revenue. However, the debt ratio of SOEs is 3.1 times higher than equity, while the average level of Vietnamese enterprises is 2.1 times.

In the Global Competitiveness report just released by WEF, Vietnam ranks 67th out of 141 economies this year, with 61.5 points out of 100. Fast fifth is 77 out of 140, getting 58.1 the point. Vietnam's 10-step increase is the largest and only one in the world.

Of the 12 pillars of WEF, Vietnam ranked highest in terms of market size, at 26th, with 72 points. The lowest ranking is Skills, ranked 93rd globally. Compared to the fast year, the scores of nearly all 12 fields increased. Recently, Vietnam's economy has also received many positive news. At the end of last month, the General Statistics Office announced that GDP in the first 9 months of the year increased by 6.98%, the highest in the past 9 years. This speed is considered a "miracle" in the context of a highly open economy, complex international trade and low growth in many countries in the region. Inflation in 9 months is also the lowest in 3 years.

4.3 Impact of income improvement on rapid competitiveness improvement

Labor productivity is a key factor determining the competitiveness and long-term survival of an enterprise, the basis for raising incomes, creating a good working environment and conditions for employees. Increasing labor productivity is improving the quality of life and ensuring a better society. Increasing wages and increasing labor productivity are closely related. Increasing labor productivity is the basis for increasing wages and conversely increasing wages is one of the measures to encourage people to work enthusiastically to increase labor productivity.

Policies on bonuses or wages have a significant impact on increasing labor productivity. The minimum wage that is appropriate will have a good impact on employees as a main income, thereby ensuring stable and increased labor productivity.

The right wage policy is a great motivation to promote the power of the human factor in the realization of socio-economic goals. Therefore, improving income and wages promotes and encourages employees to improve productivity, quality and efficiency of labor, ensuring fairness and society on the basis of implementing the salary

regime. Wages must be guaranteed: Encourage talented workers; Improve cultural and professional qualifications for employees; Overcome distributional egalitarianism, making distribution a real driver of production.

As the basis for adjusting prices accordingly. Whenever prices fluctuate, wages are the price of labor power, part of the newly created social product. Wages must change in line with everyone's working capacity.

Ensuring workers' wages maintain their daily lives and can also provide backup for long-term lives when they run out of working capacity or face uncertainties.

The government plays a decisive role in improving and enhancing labor productivity, enhancing the competitiveness of the economy.

The State - with the role of managing equity capital, the State has a separate salary policy for state-owned enterprises and state-owned joint stock enterprises that hold a controlling stake.

Thus, the wage policy in the enterprise sector has been gradually renewed according to the market principle under the management of the State. In the context of limited salary negotiation, the State stipulates the minimum wage system, prescribes general principles for enterprises to build and issue ladders, payroll, labor norms and create a legal corridor organization to participate in the policy formulation process and monitor the implementation of the wage policy in the enterprise. In addition, the law also stipulates that the employer has the right to be autonomous in distributing and paying wages in accordance with the quantity and quality of labor contributed to the enterprise; Employers must ensure equal wages, regardless of gender, for employees doing work of equal value, in order to harmonize interests between employees, employers, avoid inequality in the distribution of wages.

For state-owned enterprises, as the owner, the State stipulates the criteria and conditions and assigns the enterprise to determine and decide on wages to be paid to employees in association with labor productivity, profit and loss. profits according to the principle of labor productivity, when profits increase, wages increase; labor productivity and profits decrease, wages decrease; separate wages of managerial officials from employees and more closely associate with production and business efficiency and management and administration responsibilities; create favorable conditions for enterprises to arrange labor organization, improve the quality of human resources to meet production and business requirements, and improve workers' lives.

Implementing the right wage policy not only becomes a driving force to promote the human factor in the cause of socio-economic development, but also better implements equity, social progress, and pays the right salary to employees. is to make investment for development, is the driving force to improve the efficiency of production, business, competitiveness of enterprises in the market and sustainable development and to improve the effectiveness and efficiency of the management apparatus. state management, develop the labor market, meet the requirements of the cause of industrialization, modernization and international integration.

5. Conclusions and recommendations

5.1 Conclusion

Renovating the salary policy makes an important contribution to stabilizing the lives of employees, each wage policy issued

will change the lives of employees and contribute to stabilizing social security. For the State and the Government, the reform of the wage policy clearly demonstrates the role of macro-regulatory management and above all, taking care of people's lives.

For Ministries, Sectors, employers' organizations and for researchers of salary policy, the research, innovation and application of wage policy is always an important and core issue in using salary policy. resource efficiency.

Therefore, the renewal of salary policy needs to be implemented synchronously and seamlessly so that the salary policy really comes to life for each employee, each organization, enterprise and the whole economy.

5.2 Proposals and recommendations

Wage policies in innovation must ensure a balance between the interests of the parties: the State - the employer - the employee. In the process of researching policy innovation, it is necessary to stick to reality and focus on the following issues:

- Renovation of salary policy must closely follow the reality of the country, taking into account objective integration factors, the country's economic potential, the ability to pay of business organizations and living standards and quality of life. The salary policy must regulate the forms of distribution, in which the most emphasis is on the form of distribution according to economic results and efficiency, and wages must be studied and adhered to the law of value. , the law of supply and demand of labor in the labor market.
- The promulgated wage policy must ensure income to cover the lives of employees and their families, paying the right salary is an investment in human resource development, creating motivation to improve labor productivity and improving productivity. working efficiency of employees, making an important contribution to the realization of social progress and justice, and ensuring socio-political stability.
- Renovating the salary policy must meet the overall, systematic, synchronous, inherit and promote advantages, effectively overcome the limitations and inadequacies of the previous salary policy. The innovative salary policy must follow the principle of distribution according to labor and objective economic laws and must meet the requirements of international integration and must have a roadmap suitable to the conditions of socio-economic development and potential power of the country.
- Reforming and reforming wage policy is an objective requirement, an important task in building and stabilizing the socialist State and perfecting the socialist-oriented market economy institution in our country.
- Therefore, raising awareness and high political determination is associated with innovation, organizational arrangement of the political system, streamlined, effective and efficient operation.

5.3 Solution

The government plays a decisive role in improving wages, improving labor productivity, and enhancing the competitiveness of the economy.

To improve labor productivity, it is necessary to promote institutional reform, improve the business environment, focus on simplifying administrative procedures, reduce cost

burden, but also improve market efficiency. to enhance resource allocation; promote economic restructuring; strengthen competition policies to ensure a transparent and level playing field for all economic sectors, thereby contributing to boosting labor productivity; enhance the effectiveness of coordination of macroeconomic policies.

Implement economic stabilization solutions to enhance the effectiveness of coordination of macroeconomic policies in order to effectively mobilize, allocate and use resources in general and human resources in particular, thereby, promoting economic growth. boost energy

Continue to improve the policy on minimum wages; regulate the hourly minimum wage in order to improve the coverage of the minimum wage and meet the flexibility of the labor market; periodically review and announce the minimum wage on the basis of the minimum standard of living of employees, in relation to factors of the labor market and the ability of the economy; reviewing and zoning the application of minimum wages suitable to socio-economic development and labor market of each region.

Continue to restructure state-owned enterprises in the direction of gradually reducing participation in industries and fields that the non-state sector can undertake. Develop a roadmap with specific measures to create a truly equal competitive environment among all types of enterprises, regardless of whether they are private enterprises, state-owned enterprises or foreign-invested enterprises outside.

Focus on development investment, accompanied by preferential policies and creating incentives for the participation of the private sector and attracting skilled labor in key economic sectors. Wage reform Accelerate the development of specific policies and mechanisms to develop industries and fields such as innovative start-ups; human resources for information technology; increase the participation of small and medium enterprises in regional and global value chains.

Continue to promote administrative reform, especially administrative procedures for investment, business and trade. Review and eliminate unnecessary business conditions and administrative procedures and informal fees, thereby creating a favorable business environment, reducing business costs, and improving the competitiveness of businesses as well as the economy as a whole. Regular dialogue with the business community, especially private enterprises; promptly handle the recommendations of businesses.

Strengthen the application of information technology, implement the electronicization of state management operations. Building and improving the quality of the contingent of cadres, civil servants and public employees, focusing on reforming the salary policy in order to create real motivation for cadres, civil servants and public employees to perform their official duties with quality and efficiency high fruit; improve the quality of administrative services and Strengthen training and development of human resources. The quality of human resources is the basic factor creating labor productivity. Therefore, training and fostering human resources with capacity, qualifications and skills to meet development requirements is the basic solution to improve labor productivity. It is necessary to review, arrange and re-plan the network of higher education and vocational education institutions in association with the socio-economic development planning and the needs of the labor market in the whole country and each region and local. Improve the training quality of pedagogical schools. Formulate

mechanisms and policies for education streamlining, associated with vocational training and professional skill development for high school students. Renovate training contents and methods in order to improve the quality and effectiveness of higher education and vocational education, and improve the quality of training in some schools and some occupations to approach the level of developed countries in the world. ASEAN and the world.

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